



Abridged report 2020

## The most important points in brief

	31.12.2020	31.12.2019
Total of balance sheet (million CHF)	1231	1240
Performance	3.36%	6.88%
Performance benchmark	4.39%	9.08%
Coverage ratio	111.42%	109.51%
Technical basics	BVG 2015, GT, 1.50%	BVG 2015, GT, 1.50%
Annual interest of savings capital	2.00%	2.00%
Minimal rate of interest according to BVG	1.00%	1.00%
Total affiliation contracts	77	78
Total actively insured persons	1606	1586
Total pension recipients	2358	2443
Cost transparency ratio	100.00%	100.00%
Administration expenses in % of the transparent asset investments	0.35%	0.31%
Administrative expenses per member (in CHF)	241.00	209.00

## Excerpt from the 2020 annual report

### Political and economic environment

- The 2020 investment year was not for the faint-hearted. After a quiet start to the year, at the latest from the end of February onwards, the rapidly spreading and new corona-virus took control of events around the globe and dominated the financial markets, effectively “reinforced” by the surprising oil price crash. The uncertainties about the economic impact of the global standstill led to panic selling and caused the stock markets to fall to historic lows by mid-March, resulting in a decline in prices that has rarely been seen in the past within such a short period of time. The bond markets were also affected by a lack of liquidity.
- What then occurred from the second quarter onwards will also go down in history. Orchestrated by central banks and governments, the unconventional bundles of measures led to one of the strongest market recoveries in history. The markets were not even deterred by the second wave of the pandemic, so that the investment year again saw a positive return. From November onwards, the news about the first vaccines being approved was particularly significant.
- Swiss properties showed two faces. The housing market has proven to be quite crisis-resistant and developed steadily. However, the difficult economic situation and the lower population growth are likely to exacerbate

the imbalance between supply and demand and lead to higher vacancy rates. It's a different story where commercial properties are concerned. In the retail sector, the COVID-19 shock has accelerated structural changes, resulting in more online purchases at the expense of physical retail. Working from home is an issue which continues to affect the domestic office market. The future will show how much of the COVID-19-related change in working behaviour is longlasting. In spite of the more flexible handling of the working environment where office spaces are concerned, the crisis once again shows the importance and necessity of social contact.

### **Investment activities**

- The assets invested by Ascaro Vorsorgestiftung amount to 1.231 billion francs as of yearend. Ascaro's broadly diversified investments proved to be especially helpful during the strong market correction. Foreign currency risks are hedged based on the strategic guidelines, so that ultimately around 90 per cent of investments are held in Swiss francs in compliance with the strategy. The investment strategy and positioning remained largely unchanged in the year under review. As of the end of 2020, investments had been made in the following asset classes: approximately 14 per cent in liquidity, 21 per cent in bonds, 25 per cent in equities, 34 per cent in real estate and 6 per cent in alternative investments.
- In this volatile environment fraught with uncertainty, the assets managed by Ascaro increased in value by 3.36 per cent. In view of the intentionally conservative approach, this is a solid result. However, it is less than the internal benchmark return. In particular, its high level of liquidity, currency and regional allocations of foreign currency investments (shares and bonds) and the below-average equity weighting and hedging against sudden extreme risks resulted in relative underperformance. By way of comparison: the "Pictet BVG 2015-25" index, which is similar to our portfolio, was 3.12 per cent at the end of the year.

### **Technical interest rate, coverage ratio and interest on savings capital**

- Whereas in recent years the Board of Trustees had lowered the technical interest rate to 1.5 per cent, a further adjustment is not currently planned. The technical interest rate specifies what long-term capital gains can be expected, in order to be able to finance the pensions. The interest rate depends on the expected performance of the financial markets. If the interest rates remain at the current level, further reductions might be advisable.
- The coverage ratio was strengthened with the return achieved of 3.36 per cent. It rose to 111.4 per cent compared to 109.5 per cent in the previous year. 70 per cent of the fluctuation reserves have thus been formed.
- The Board of Trustees decided to also leave the interest rate for 2021 unchanged at 2.0 per cent (after having done so in 2020), completely in line with the policy of ensuring attractive interest rates for our insured per-

sons. The interest rate for Ascaro is thus twice the BVG minimum interest rate, which has been set by the Federal Council at the same rate of 1.0 per cent. This higher interest rate applies to both compulsory and voluntary retirement assets.

### **Board of Trustees, committees, Executive Board**

- At the end of June, the period of office of the 12-person Board of Trustees, whose composition is based on equal representation, came to an end. Roland Frey made himself available for another term of office as President of the Board of Trustees and was confirmed by the competent election bodies. After the departure of Ernst von Winterfeld as employer representative, Mitel Schweiz AG has decided to waive its entitlement to a seat during the new period of office. Scott Sports SA will now provide an employer representative to sit on the Board of Directors. The other employer representatives will remain in office. The Delegates' Meeting of 7 May 2020 – which was conducted virtually for the first time – confirmed the re-election of all current members of the Board of Trustees who put themselves forward for re-election. In place of the employee representatives Andreas Widrig and Roger Gross, who had not put their names forward for re-election, Doris Lehmann from Localnet AG and Jörg Wellenreiter from AVAG AG für Abfallverwertung were elected to the Board of Trustees. We would like to take this opportunity to once again expressly thank the departed members and wish the new Board of Trustees members every success and satisfaction in their responsible roles.

### **Outlook**

- The market environment remains challenging. Although the global vaccine efforts initiated to contain the virus have resulted in a level of economic optimism that has not been seen for a long time, this is in contrast with the real economy data which paints a gloomy overall picture. The risk remains that the assessment of the outlook is too optimistic, and that the global economy will take longer than feared to return to pre-crisis levels.
- In spite of the somewhat uncertain times, our pension fund's financial situation remains solid and we have really done our homework. In the new year, the members of the Board of Trustees and the Executive Board will continue to strive to master upcoming challenges by acting with foresight and focussing on the Foundation's long-term financial equilibrium. All of the above will be done with the aim of sustainably securing the pensions of both current and future generations.

We would like to thank you very much for the trust you have placed in Ascaro and its exponents and look forward to supporting you in the new year too.

Bern, January 2021

Ascaro Vorsorgestiftung

# Balance sheets

## Assets

(in CHF)	31.12.2020	31.12.2019
<b>Investments</b>	<b>1 231 133 327.08</b>	<b>1 240 128 921.41</b>
Cash	168 081 621.10	167 413 443.93
Receivables	3 594 720.35	3 904 247.85
Receivables from employers	1 121 895.70	1 343 027.70
Bonds (incl. mortgages)	256 442 294.60	246 509 495.70
(from that receivables from employers)	(0.00)	(4 000 000.00)
Equities	304 291 568.92	318 890 749.50
Alternative investments	76 008 950.16	87 171 735.28
Real estate	421 592 276.25	414 896 221.45
<b>Prepayments and accrued income</b>	<b>18 535.13</b>	<b>196 185.55</b>
<b>Total assets</b>	<b>1 231 151 862.21</b>	<b>1 240 325 106.96</b>

## Liabilities

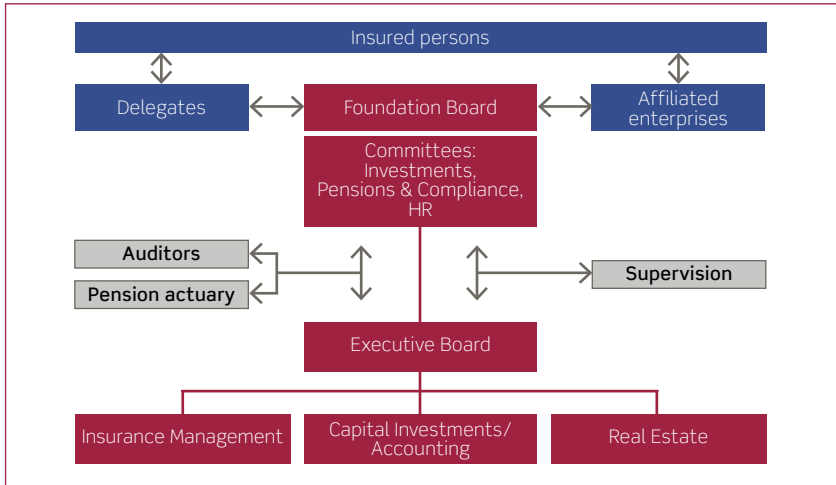
(in CHF)	31.12.2020	31.12.2019
<b>Liabilities</b>	<b>4 253 431.54</b>	<b>5 245 321.78</b>
- Termination benefits and pensions	1 744 518.25	2 329 884.39
- Other liabilities	2 508 913.29	2 915 437.39
<b>Accrued liabilities and differed income</b>	<b>496 593.30</b>	<b>780 488.38</b>
<b>Contribution reserve employers</b>	<b>5 964 333.15</b>	<b>6 804 780.47</b>
<b>Pensions liabilities and actuarial reserves</b>	<b>1 095 328 806.35</b>	<b>1 120 947 532.90</b>
- Savings capital from actively insured persons	298 210 151.35	299 124 702.90
- Savings capital from pension recipients	725 698 968.00	752 395 902.00
- Actuarial reserves	71 419 687.00	69 426 928.00
<b>Reserve for fluctuation in asset value</b>	<b>125 108 697.87</b>	<b>106 546 983.43</b>
<b>Foundation capital, non-committed funds / shortfall in cover</b>		
Status as per 1 January	0.00	0.00
+/- Income surplus / expense surplus	0.00	0.00
Status as per 31 December	0.00	0.00
<b>Total liabilities</b>	<b>1 231 151 862.21</b>	<b>1 240 325 106.96</b>

## Income statement

(in CHF)	2020	2019
<b>Ordinary and other contributions and transfers-in</b>	<b>22 760 383.53</b>	<b>26 691 853.30</b>
Employee contributions		
- Savings contributions	8 341 163.45	8 348 883.45
- Risk contributions	1 177 126.15	1 171 359.15
Employer contributions		
- Savings contributions	9 201 445.85	9 145 108.15
- Risk contributions	1 370 393.00	1 365 312.15
Withdrawal from provisions for financing of contributions	-1 751 633.15	-1 182 717.15
One-time payments and purchase amounts	3 319 890.90	3 508 019.95
Payments into the employer contribution reserves	911 185.83	4 277 946.20
Grants from the LOB Guarantee Fund	190 811.50	57 941.40
<b>Entry lump sum transfers</b>	<b>18 749 963.70</b>	<b>132 477 508.55</b>
Entry lump sum transfers	18 107 619.05	113 004 406.30
Deposits by takeover of insured persons into:		
- Actuarial reserves	0.00	500 000.00
- Reserves for fluctuation of asset value	0.00	214 747.00
- Savings capital from pension recipients	98 600.00	18 270 887.45
Reimbursement of withdrawals for home ownership/ divorce	543 744.65	487 467.80
<b>Total inflow from contributions and entry lump sum transfers</b>	<b>41 510 347.23</b>	<b>159 169 361.85</b>
<b>Regulatory benefits</b>	<b>-66 782 318.50</b>	<b>-63 245 578.15</b>
Retirement pensions	-45 708 988.85	-46 645 534.75
Survivor's pensions	-11 935 710.25	-12 010 211.25
Disability pensions	-1 465 818.00	-1 589 524.40
Divorce pensions	-41 508.00	-37 567.00
Other regulatory benefits	-59 979.10	-17 811.95
Lump-sum payments on retirement	-7 223 352.70	-2 944 928.80
Lump-sum payments on death and disability	-346 961.60	0.00
<b>Non-regulatory benefits</b>	<b>-200 337.00</b>	<b>0.00</b>
Voluntary benefits of the fund	-200 337.00	0.00
<b>Termination benefits</b>	<b>-19 838 596.15</b>	<b>-24 072 599.05</b>
Termination benefits for leavers	-17 806 426.60	-23 320 328.90
Handover of actuarial reserves	0.00	-12 336.80
Withdrawals for home ownership / divorce	-1 863 046.55	-739 933.35
Lump-sum payments on divorce	169 123.00	0.00
<b>Total outflow for benefits and withdrawals</b>	<b>-86 821 251.65</b>	<b>-87 318 177.20</b>

(in CHF)	2020	2019
<b>Decrease (+)/increase (-) in insurance capital, actuarial reserves and contribution reserves</b>	<b>26 459 173.87</b>	<b>-166 782 770.60</b>
Dissolution (+)/formation (-) of insurance capital of active insured	6 521 176.45	-93 868 095.30
Dissolution (+)/formation (-) of pensioners' insurance capital	26 696 934.00	-29 322 655.00
Decrease (+)/increase (-) in actuarial reserves	-1 992 759.00	-34 977 015.00
Interest on retirement savings capital	-5 606 624.90	-5 519 776.25
Dissolution (+)/formation (-) of employer contribution reserves	840 447.32	-3 095 229.05
<b>Insurance expenses</b>	<b>-133 862.35</b>	<b>0.00</b>
Contributions to the LOB Guarantee Fund	-133 862.35	0.00
<b>Net result from insurance activities</b>	<b>-18 985 592.90</b>	<b>-94 931 585.95</b>
<b>Net return</b>	<b>42 825 032.15</b>	<b>81 011 498.67</b>
Net return on liquid assets and money market demands	13 203 422.86	-2 896 910.36
Net return on bonds (incl. mortgages)	-2 970 573.36	5 984 770.94
Net return on equities	12 771 536.20	54 555 528.90
Net return on alternative investments	-3 439 357.99	530 222.76
Net return on real estate	23 260 004.44	22 837 886.43
<b>Interest expenses</b>	<b>-20 254.95</b>	<b>-20 207.70</b>
<b>Administration expenses for investments</b>	<b>-4 302 366.26</b>	<b>-3 907 084.99</b>
<b>Total net return on investments</b>	<b>38 502 410.94</b>	<b>77 084 205.98</b>
<b>General administration</b>	<b>-955 103.60</b>	<b>-842 396.11</b>
General administration expenses	-856 346.10	-751 262.65
Marketing and advertising	-3 861.05	-24 972.15
Auditors and pension actuary	-78 984.45	-52 724.56
Supervisory authorities	-15 912.00	-13 436.75
<b>Income surplus / expenses surplus before releasing from /adding to fluctuations reserves</b>	<b>18 561 714.44</b>	<b>-18 689 776.08</b>
Decrease (+)/increase (-) in value fluctuation reserves	-18 561 714.44	18 689 776.08
<b>Income surplus / expenses surplus</b>	<b>0.00</b>	<b>0.00</b>

# Organisation



## Governing body

Foundation Board Employer representatives	Function	Mandate as of	Elected until
Frey Roland	Chairman	01.03.2015	30.06.2024
Diener Felix	Member	23.08.2017	30.06.2024
Lack Daniel	Member	31.10.2011	30.06.2024
Perinpanathan Sarushan	Member	01.05.2019	30.06.2024
Rufi Harald	Member	01.07.2019	30.06.2024
von Winterfeld Ernst	Member	01.05.2015	30.06.2020 (exit)
Vacant	Member	01.07.2020	30.06.2024

Foundation Board Employee representatives	Function	Mandate as of	Elected until
Rüegsegger Markus	Vice-chairman	22.10.2013	30.06.2024
Lehmann Doris	Member	01.07.2020	30.06.2024
Müller-Hausherr Renee	Member	04.05.2017	30.06.2024
Odermatt Christoph	Member	09.05.2019	30.06.2024
Schweizer Jonathan	Member	03.05.2018	30.06.2024
Wellenreiter Jörg	Member	01.07.2020	30.06.2024



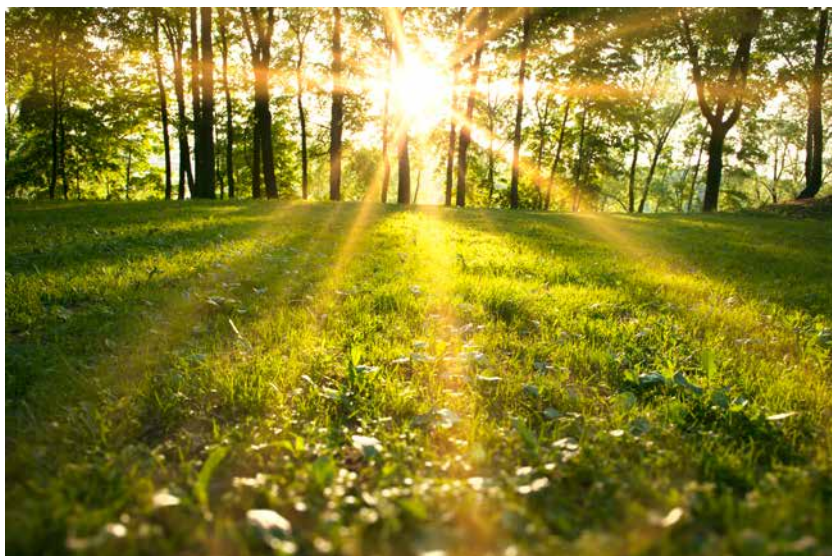
Executive Board	Function
Guntern Willy	Managing Director, Capital investments/Accounting
Zaugg René	Deputy Managing Director, Insurance management
Zingg Marlene	Member, Head of Real Estate

### Assembly of Delegates

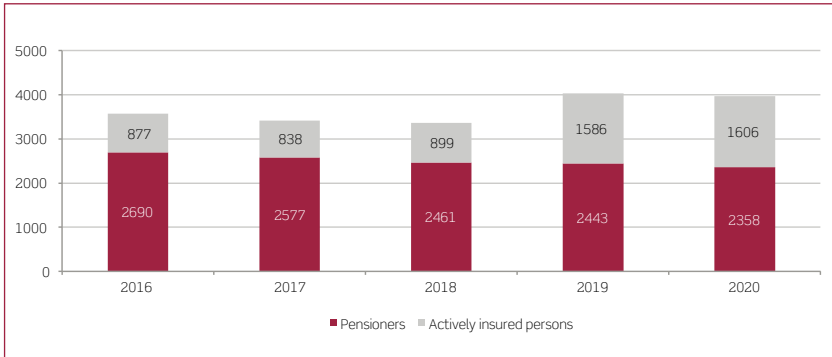
The Assembly of Delegates is responsible for fostering close ties between the Foundation Board and the insured members. The delegates are elected by and from among the insured members for a period of four years (current term of office 2020–2024). The Assembly of Delegates is responsible for the election of the employee representatives on the Foundation Board and may submit proposals to the Foundation Board and seek information from the Foundation Board about general questions pertaining to the Foundation.

### Pension actuary, auditors and supervision

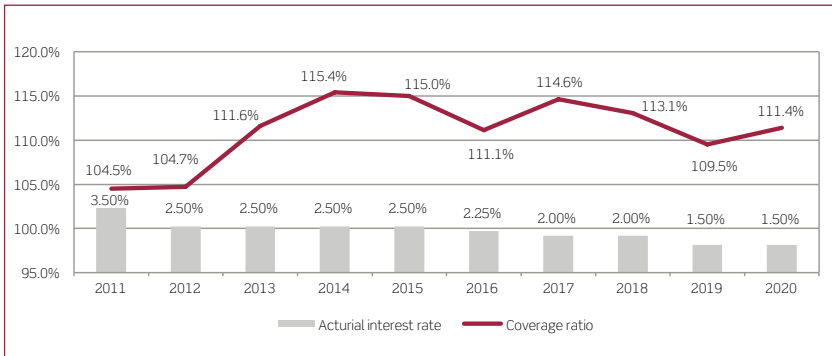
Function	Mandatory
Pension actuary	Swiss Life Pension Services AG, Zurich, contractual partner Elena Fehr, executive expert
Auditors	PricewaterhouseCoopers AG, Bern Johann Sommer, lead auditor
Supervision	Bernische BVG- und Stiftungsaufsicht (BBSA), Bern (Ordnungs-Nr. BE.0221)



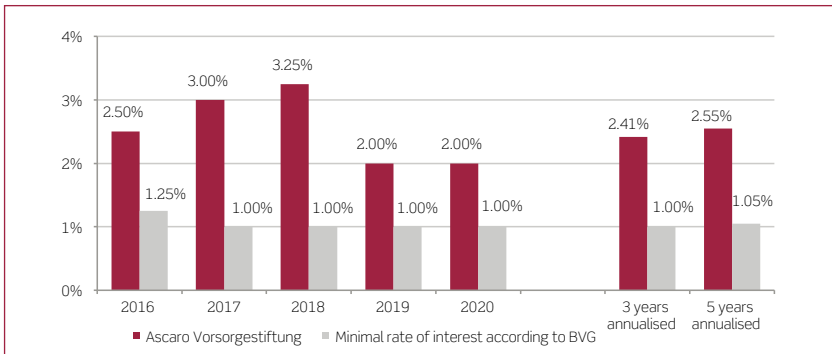
## Actively insured persons and pensioners



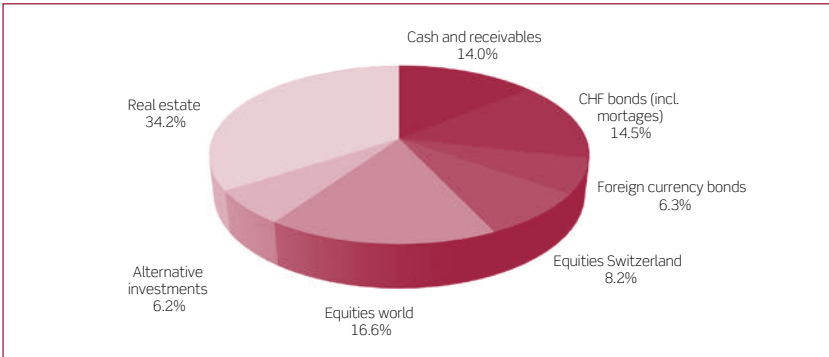
## Development of the coverage ratio since 2011



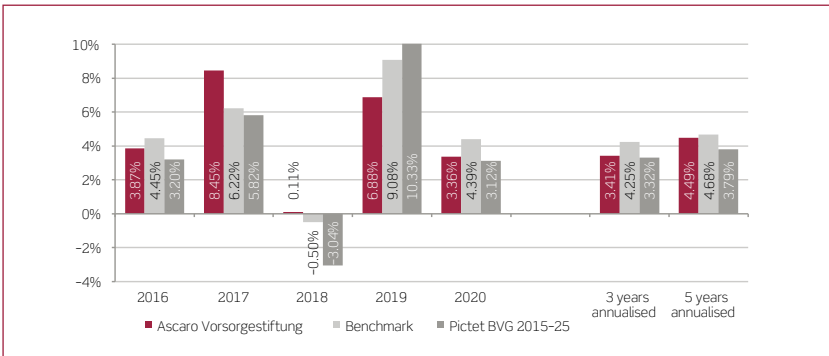
## Interest rate for actively insured persons



# Asset structure



# Development of performance



The complete Annual Report (available in German only) can be downloaded from [www.ascaro.ch](http://www.ascaro.ch)

